

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

Public Services – Treasuries and Accounts Department – Pension Payment Offices, Hyderabad – Fraudulent drawal of pensions by Sri Md.Ashfaq, formerly private receipt writer O/o APPO, Chandrayanagutta and Sri Md. Ibrahim Khaleel, Controller, APSRTC, Barkatpura to a tune of Rs.20.54 lakhs – Departmental Proceedings initiated against Retired Officers/in Service Officers of PPO Unit of Treasuries and Accounts Department – Disciplinary action against **Sri N. Bhaskar Rao, Senior Accountant (Retd)** – Imposition of punishment of withholding of Rs.1,000/- per month from his pension for a period of twelve months (12) under Rule 9 of A.P. Revised Pension Rules, 1980 – Orders – Issued.

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### FINANCE (ADMN.I.VIG.) DEPARTMENT

**G.O.Rt.No. 4433**

**Dated:22.12-2011**

**Read the following:-**

- 1 DTA Charge Memo.No. K5/22856/2001-1, dt: 14-02-2004.
- 2 Defence Statement of Sri N. Bhaskar Rao, Senior Accountant (Retd) dated nil.
- 3) G.O.Rt.No.4512, Finance (Admn.I.Vig) Dept, dt:19.11.2008
- 4) Enquiry Report of Sri Janak Raj, Commissioner of Inquiries D.O.Lr.No.2128/COI.JR/2008,dt:05-11-2009.
- 5) Govt.Memo.No.13365-A/42/A2/Admn.I.Vig/2003-12 dt 17.11.2009
- 6) DTA. Lr.No. K(II)8/22856/2001, dated 27-03-2010 along with Representation of Sri N. Bhaskar Rao, Senior Accountant (Retd) dated 4.2.2010.
- 7) Govt.Memo.No.13365-A/42/A2/Admn.I.Vig/2003-11,dated:22.6.2010 Final Show Cause Notice
- 8) Explanation of Sri N. Bhaskar Rao, Senior Accountant (Retd) dated 20.10..2010
- 9) Govt. Letter No. 13365-A/42/Admn.I.Vig/2003, dated 31.3.2011 addressed to Secretary, APPSC.
- 10) From the Secretary, APPSC Lr.No.186/RT-I/3/2011, dated 26.5.2011.

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### ORDER:

The Director of Treasuries and Accounts, in the reference 1<sup>st</sup> read above, reported that a case of fraudulent drawals took place in the offices of Assistant Pension Payment Officers, Chandrayangutta, Motigally, Nampally, Punjagutta and Narayanaguda. This came to light when the Banjara Hills Police have nabbed two culprits – Sri Md.Ashfaq and Sri Ibrahim Khaleel. The preliminary reports indicated that the said Sri Mohd Ashfaq, who worked earlier as pension receipt writer at the O/o the APPO, Chandrayanagutta made use of his knowledge of pension payment procedures and his contacts with the staff of the office of different APPOs and resorted to fraudulent drawls by adopting dubious means. The enquiries have revealed that the culprits used to make representations in the name of the deceased pensioners, and get the addresses changed, change the bank of the pensioners and drew the amounts fraudulently. The Police investigations revealed that the culprits have resorted to this kind of fraud in about 30 cases. On the request of the police the probable amounts of those fraudulent drawals has been estimated to be Rs.20,54,000/-. A criminal case in this matter has been registered in the Banjara Hills Police Station and it is under investigation. On detection of this fraud, the department undertook a detailed verification of those 30 Pension Payment Orders and found that the Assistant Pension Payment Officers have allowed the change of bank

merely based on the option form or a representation received in the name of the pensioner and credited pension to the new bank account without following the prescribed procedure. The descriptive rolls were changed by affixing the photographs of the fake pensioners. The Assistant Pension Payment Officers concerned have failed to keep records in the safe-custody and thereby given scope for the culprits and those who connived with them to have easy access and commit the fraud. The Charged Officers failed to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P. Treasury Code. Vol-I and the procedure prescribed in G.O.Ms.No.213, Finance & Planning (FW PSC) Department, dated.19.12.1997 and instructions issued thereon from time to time and thus, they have not only given scope for these fraudulent drawals but also helped the culprits to continuously draw them over a period of time. They have not followed appropriate procedure in obtaining the life-certificates, descriptive rolls and in filing them in the files concerned. These failures have paved the way for the culprits to tamper with the records of the office and resort to fraudulent drawals.

2. Departmental Proceedings were initiated against **Sri N. Bhaskar Rao, Senior Accountant (Retd)** along with others of PPO Unit of Treasuries and Accounts Department who were allegedly responsible for the irregularities and for their failure to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms No.213, Finance & Planning (FW PSC) Department, dated.19-12- 1997 and instructions issued thereon from time to time. The following Article of Charge has been framed against **Sri N. Bhaskar Rao**, O/o APPO, Panjagutta now retired as Senior Accountant, vide G.O.Rt.No.835 Finance (Admn.I.Vig) Department dated 18.3.2004.

***Sri N. Bhaskar Rao, Senior Accountant, (Retd) while working as Senior Accountant, O/o APPO, Panjagutta during the period from December 1999 to December 2000 has failed to follow the procedure prescribed in A.P. Treasury Code and instructions issued thereon from time to time in making pension disbursements in respect of certain Pension Payment Orders and thereby gave scope for drawls and he was responsible for a loss of Rs.6,400/- to the exchequer of State.***

3. In his defence statement, while denying the article of charge framed against him he has requested to drop the charge. He stated that consequent of introduction of scheme of pension payment through banks in G.O.Ms.No.79 Finance & Planning (FW:PSC) Department dated 4.3.1989 and G.O (P) No.299 Finance & Planning (FW:PSC) Department dated 22.8.1985, the payment of pension has become compulsory without the appearance of pensioner before the pension disbursing officer except for the first time of payment of pension. After the introduction of above scheme of pension payment the Govt. have issued orders introducing another scheme of pension payment compulsorily in G.O.Ms.No.213, Finance & Planning (FW:PSC) Department dated 19.12.1997 duly prescribing procedure of advising the pension payment through the bankers for remittance of pension to the saving bank account of the pensioners. Thus the introduction of new scheme of pension payment by the Govt. had sidelined the codal provision and thus made the pensioners not to attend the pension payment office to receive their pension except the compulsory producing of their life certificates,

non- employment certificate and non-remarriage certificate annually through the banks from which they opted to draw their pension.

4. The defence of the Charged Officer that he had paid pension to bogus pensioners based on the Life Certificates is not at all tenable. It is not possible for others, without collusion of the Charged Officers working in the APPO offices, to replace the photographs of the deceased pensioners pasted on the descriptive rolls with the photographs of the bogus pensioners. The defence of the Charged Officer was not satisfactory. To arrive at the truth, only a common inquiry of all the charged officers involved in the case was required. Hence, the Government have decided to conduct a regular common enquiry as per the procedure laid down under Rule 20 of A.P. Civil Services 3 (CC&A) Rules 1991 read with Rule 9 of A.P. Revised Pension Rules, 1980. Since a common inquiry has to be ordered in this case to elicit the truth against all the 44 Charged Officers involved in this case, the disciplinary authority could not proceed with further action as majority of the Charged Officers did not submit their written statement of defence and insisted for certain original documents which were seized by the police and copies of certain documents.

5. Further he stated that the statement attached to the charge memo. that he initiated in the additional sheets for the months he have attended the work of sending pension to bank in respect of the case occurred in the office of the Asst. Pension payment officer, Punjagutta as a case worker. Hence, there is no involvement of him except to send the payment of pension through the bank concerned. He did not exhibit lack of integrity, devotion to duty and conduct unbecoming of the Govt. servant and nor contravened rule 3 (1) and (2) of A.P.Civil Services (Conduct) Rules 1964 at any time during his tenure he hold the charge of seat to send pensions to the banks. He has not misappropriated any Govt. funds except to attend routine work of sending pension to the banks concerned. The part of devotion to duty is not justified as he had never exhibited any slackness in performing the entrusted duty. He also submit that he has never behaved in the way of unbecoming of Govt. servant. Finally, he requested the Secretary to Govt, Finance Department, A.P. Secretariat to drop the article of charge as he is in no way responsible for the bogus payment of pension

6. Government, in exercise of the powers conferred by Sub-rule (2) of Rule 20 of A.P. Civil Services (CC&A) Rules, 1991, appointed Sri Janak Raj, IPS (Retd.) Commissioner of Inquiries, Department as Inquiry Authority to inquire into the charges framed against the Charged Officer **Sri N. Bhaskar Rao, Senior Accountant (Retd)**), Treasury and Accounts Department and in exercise of the powers conferred by Sub-Rule (5) of A.P. Civil Services (CC&A) Rules, 1991 appointed Sri Jagan Mohan Goud, Joint Director of Treasuries and Accounts O/o the Director General, Dr. MCR HRDI, Hyderabad as Presenting Officer.

7. The Inquiry Authority, Sri Janak Raj, Commissioner of Inquiries has submitted his report vide reference 4<sup>th</sup> read above. In the Enquiry the charge framed against **Sri N. Bhaskar Rao, Senior Accountant (Retd)** has been proved. While furnishing a copy of the report of Enquiry Officer, a Show Cause Notice was issued to Sri **Sri N. Bhaskar Rao, Senior Accountant (Retd)** as to why a suitable punishment should not be imposed against him as the charge framed against him has been proved in the inquiry vide reference 5<sup>th</sup> cited.

8. **Sri N. Bhaskar Rao, Senior Accountant (Retd)** in his representation has stated that there was no scope to see the pensioner before making payment as per G.O.MS.No.79 Finance dated 4.3.1989 and G.O.Ms.No.23, Finance dated 19.12.1997 in as much as the pension was being paid through the bank only. Mustering of pensioner was also dispensed with as the pensioner need not visit pension payment office as per S.R 67 (A) 16 of AP.T.C Vol.-I. Hence failure to obtain life certificate is not at all relevant to him and Govt. to examine his statement of defence meticulously and to drop further action against him. . Therefore, he has requested the Government to drop further action in the matter and release all his pensionary benefits.

9. Government after careful consideration of the findings of the Inquiry Authority and representation of the Charged Officer, has **provisionally decided to impose a punishment of withholding of Rs.1,000/- from his pension for a period of 12 months** and issued a final Show Cause Notice to him vide reference 7<sup>th</sup> read above.

According to Rule 9 (1) A.P. Revised Pension Rules, 1980:

*“The government reserves to themselves the right of withholding a pension or gratuity, either in full or in part, or withdrawing a pension in full or in part, whether permanently or for a specific period and of ordering recovery from a pension or gratuity of the whole or part of any pecuniary loss caused, to the Government and to the local authority if, in any departmental or judicial proceedings the pensioner is found guilty of grave misconduct or negligence during the period of his service, including service rendered upon re-employment after retirement: Provided that the Andhra Pradesh Public Service Commission shall be consulted before any final orders are passed. Further, the Government will serve the person concerned with a show-cause notice specifying the action proposed to be taken under this rule and the person concerned will be required to submit his reply to the show-cause notice within such time as may be specified by the Government. The Government will consider the reply and consult the Andhra Pradesh Public Service Commission. If as a result of such consideration in consultation with the Commission, it is decided to pass an order under the rule, necessary orders will be issued in the name of the Government.”*

11. **Sri N. Bhaskar Rao, Senior Accountant (Retd)** in his explanation to the Final Show Cause Notice dated 22-06-2010 has stated that he has no objection to recovery of Rs.12,000/- from his pension @ Rs.1000/- p.m for a period of 12 months

12. Government, after careful consideration of the material on record i.e. Charge Memo., defence statement, finding of the Inquiry Authority, explanation of the Charged Officer to the Show Cause Notices found that the Charged Officer did not follow the provisions contained under Sub Rules 64 to 87 for payment of pension i.e., he involved to violation of procedure prescribed in A.P. Treasury Code and instructions issued thereon from time to time in making pension disbursements in respect of certain pension payment orders. The Charged Officer has stated that he had followed the orders issued in G.O.Ms.No.79 Finance (PFW:PSC) Department dated 4.3.1989 and G.O.Ms.No.213 Finance (FW:PSC) Department dated 19.12.2007 regarding procedure for payment of pension through the banks and pension shall not stop without waiting for life certificate etc., upto the end of December. In the

said GOs orders were issued simplifying procedure in respect of payment of pensions. Pensions were hitherto paid in cash at PPOs /Treasury Offices. This practice was changed and made the pensioners to opt the Bank which is nearer to them for receipt of pension through Banks. The other conditions remain unchanged. The Charged Officer is under the impression that consequent to the orders issued in the said GOs, no checks need be effected as the orders issued are pending amendment to the respective codal provision. This ground is totally untenable. He could not have presumed this, till such amendments were issued, the respective codal provisions remained in force and needed to be followed. Due to non-exercise of checks, fraudulent payment of pensions occurred due to the replacement of photos and other information in the descriptive rolls of pension payment orders with bogus photos and rolls. Mustering of pensioners would have identified such cases. In the G.O.79 Finance (FW:PSC) Department dated 4.3.1989 and G.O.Ms.No.213 Finance (FW:PSC) Department dated 19.12.1997 orders have been issued for furnishing necessary certificates through banks, but the process of mustering will help pension disbursing officer to establish proof of pensioners existence. The Charged Officer had totally failed to follow the procedure of payment of pension stipulated under A.P. Treasury Code. Therefore, Government, **provisionally decided to impose a punishment of withholding of Rs.1,000/- from his pension for a period of (12) months on Sri N. Bhaskar Rao, Senior Accountant (Retd)** and addressed the Secretary, Andhra Pradesh Public Service Commission for according concurrence of the Commission with the proposed punishment against **Sri N. Bhaskar Rao, Senior Accountant (Retd)** and intimate the same to the Government for taking further action.

13. The Secretary, A.P. Public Service Commission, Hyderabad in their letter 10<sup>th</sup> read above, have concurred with the proposal of the Government for imposition of a punishment of **withholding Rs.1,000/- per month from pension for a period of (12) months on the Charged Officer Sri N. Bhaskar Rao, Senior Accountant (Retd).**

14. Government accordingly, hereby order for imposition of a punishment of **withholding Rs.1,000/- (Rupees one thousand) per month from his pension for a period of twelve (12) months on the Charged Officer Sri N. Bhaskar Rao, Senior Accountant (Retd)** under Rule 9 (1) of A.P. Revised Pension Rules, 1980.

15. The Director of Treasuries and Accounts, Hyderabad shall take necessary further action in the matter accordingly.

16. The G.O. is available on Internet and can be accessed at the address <http://www.goir.ap.gov.in>.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**RANJEEV R. ACHARYA**  
**PRINCIPAL SECRETARY TO GOVERNMENT (FP)**

To

The individual through Director of Treasuries and Accounts, AP, Hyderabad.

The Director of Treasuries and Accounts, AP, Hyderabad.

The Joint Director, PPO, Hyderabad.

Copy to:

The Secretary, A.P. Public Service Commission, AP, Hyderabad.

The Secretary, A.P. Vigilance Commission, A.P., Hyderabad.

The Prl. Accountant General (A&E), A.P., Hyderabad.

SF/SC

//FORWARDED::BY ORDER//

**SECTION OFFICER**